



Seeing tomorrow's ideas...Today

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Vol. 6, No. 6, June 2009

## Focus on Innovation

Focus on Innovation is a monthly electronic newsletter designed to provoke thoughts and ideas on how to bring innovation to life within the organizations in which we work.

### For Those on the Run

Innovation is work rather than genius. It often requires knowledge. It often requires ingenuity. And it requires discipline. Read this month's newsletter to learn a disciplined approach to innovation.

### Innovation Requires Discipline

*"Ninety percent of [North America] companies approach innovation by altering their existing products. They end up[ being really good at an old paradigm, instead of going out into the world to see not just what people are doing, but what they are trying to do, and designing their products accordingly."*

- Michael Davis-Burchat, Industrial Designer, Nokia Corp.

Innovation doesn't take a vacation during an economic downturn. Innovation requires a disciplined approach to creating great products/services. While the resources a leader may be able to bring to bear on a problem may vary with the economic climate, the desire - the need - and the discipline to innovate needs to remain constant. There are an increasing number of organizations - Toyota, Nokia Corporation, Baldor, GravityTank, IDEO and the BBC - who have recognized the need to be disciplined when it comes to innovation. Nokia Corp., for example, is a "learning corporation" that is constantly receptive to new ideas about the way to design its phones and move into the exploding sector of wireless applications and services. IDEO continues to lead the way as a design company with constant focus on innovation.

Although innovations can spring from a flash of genius, most successful innovations result from a conscious, purposeful search for innovation opportunities, which are found in only a few situations. Most business opportunities emanate from methodical analysis of seven areas of opportunity, according to Peter Drucker (*Harvard Business Review*, 2002). These include:

- The Unexpected
  - Unexpected successes; galling to management; counterintuitive; rarely reported
  - Unexpected Failures
  - Unexpected outside events (suppliers, customers, complementors, competitors)
- Incongruities
  - Internal misconceptions
  - Conflicting internal realities
  - Customer expectation gaps

- Dysfunction or anxiety at a critical point in a business process
- Vulnerabilities
  - Weak link in process
  - Technological vulnerability
- Industry and Market disparities over time or geography
  - Customers and expectations (e.g. developing countries)
  - Industry economics
  - Customer value proposition
  - Technologies and operations
- Demographic Changes
  - Aging
  - Shifts in wealth
  - Urbanization, globalization
  - Culture and labor force change
- Perception and priority changes that shift buying habits
- New Knowledge
  - Expensive innovation with long lead times and risks
  - Application of knowledge and information in new areas (Note. Knowledge-based innovation can be difficult, but competently managed. Innovators must go out into the field, observe consumers' behavior and listen to them.)

Although these sources overlap, different as they may be in the nature of their risk, difficulty, and complexity the potential for innovation may lie in more than one area at a time. However together, they account for the great majority of all innovation opportunities.

Capturing the opportunities is one thing, but converting them into practical solutions also requires discipline. Drucker identified four elements of a disciplined process for innovating.

### Take the test - Do you have a Disciplined Process for Converting Ideas into Practical Solutions?

1. Do you brainstorm effectively? Do ideas and opportunities get put on the table for consideration?
2. Do you match up ideas with the opportunity?
3. Do you test and refine ideas by fine-tuning them based on the market response?
4. Do you deliver the results by allocating the right resources, creating customers one-by-one, and monitoring progress with external barometers?

### What's the Bottom line

Innovation requires is hard, focused, purposeful work. If diligence, persistence, and commitment are lacking, talent, ingenuity, and knowledge are of no avail.

This newsletter was adapted from two online articles by Peter Drucker titled *The Definitive Drucker* and *The Discipline of Innovation*. (To read the complete articles go to [http://bus6900.alliant.wikispaces.net/file/view/HBR\\_The+Discipline+of+Innovation.pdf](http://bus6900.alliant.wikispaces.net/file/view/HBR_The+Discipline+of+Innovation.pdf) and [http://books.google.ca/books?id=USrG-6I1WvUC&pg=PA95&lpg=PA95&dq=unexpected+occurrences+innovation&source=bl&ots=p1EMlly1iB&sig=clmwXkTYy-6RRI2v\\_rTX5AQfOSI&hl=en&ei=fhdOSq7NOsKJtge8h4WpBA&sa=X&oi=book\\_result&ct=result&resnum=7](http://books.google.ca/books?id=USrG-6I1WvUC&pg=PA95&lpg=PA95&dq=unexpected+occurrences+innovation&source=bl&ots=p1EMlly1iB&sig=clmwXkTYy-6RRI2v_rTX5AQfOSI&hl=en&ei=fhdOSq7NOsKJtge8h4WpBA&sa=X&oi=book_result&ct=result&resnum=7)).



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